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SUBJECT: BIOGRAPHIC INFORMATION ON NEW ECONOMIC-RELATED
MINISTERS; CONTINUITY OF POLICIES DESPITE NEW FACES

REF: Nicosia 882

(U) This cable is sensitive but unclassified. Please
handle accordingly.

¶1. (SBU) Summary: Reftel reported on the political
implications of the June 8 government reshuffle. Among
the economic-related ministers, only Communications and
Works (Haris Thrassou) and Minister of Finance (Michalis
Sarris) kept their jobs. This cable provides biographic
information on the new Ministers of Commerce, Health and
Agriculture, who were sworn in on June 13. All lack
relevant government experience or their own power base and
thus are expected, at least for the near term, to largely
follow the policies set forth by their predecessors. End
summary.

Commerce, Industry and Tourism

¶2. (U) Antonis Michaelides, Minister of Commerce,
Industry and Tourism: Michaelides was born in Nicosia in
¶1948. He studied Law in Athens and business
administration at the London School of Economics and the
Polytechnic of Central London. On becoming minister, he
resigned as general manager and member of the board of his
family's business, the MPM Group, one of the largest and
most successful trading organizations in Cyprus. The MPM
Group represents mainly European brands such as Peugeot
cars, L'Oreal cosmetics, Delsey luggage, Continental Tires
and Swatch. It also represents several U.S. products,
including Valvoline, cross pens, Sea Ray yachts and Baja
Boats. In 2003, the Group expanded into Greece.
Michaelides has served on the Boards of the Cyprus
Football Federation and the Development Bank. He is
currently on the Boards of the Association of Importers of
Automobile Vehicles and of the Cyprus Automobile
Association. He is married to Nino and has two children.

¶3. (SBU) Comment: Michaeliedes is considered to be a very
shrewd businessman, who is known for his personal loyalty
to President Papadopoulos. Lacking previous public
service experience and his own power base, Michaeliedes is
expected to continue most of his predecessor's (Iorgos
Lillikas, now Minister of Foreign Affairs) policies
including backing French WTO agricultural positions in
exchange for France's support on unrelated political
issues. His ministry will oversee several large planned
tenders over the coming year including the construction of
a half billion dollar energy center -- which will contain
an LNG terminal and storage facility -- and the auctioning

of exploratory rights for Cyprus's possible deep sea oil and natural gas reserves. End Comment.

Minister of Health

¶4. (U) Haris Charalambous, Minister of Health: Charalambous was born in Kato Zodia in 1951 and grew up in Nicosia. He has an MSc in Mechanical Engineering from a university in Bulgaria. On his appointment, he resigned as general manager of Laikon Kafekopton (People's Coffee Grinding), where he has worked for 29 years and as Vice Chairman of the Board of the Electricity Authority of Cyprus (EAC). He also served from 2000-2005 on the board of Eurocypria Airlines. He has attended full-time courses in Cyprus, the Netherlands, and the United States on finance, accounting, computer science, and management of food enterprises. He is married to Angela and has two grown children.

¶5. (SBU) Comment: Charalambous with little or no experience in health care will face a number of challenges in his new position. His predecessor has hired an international consulting firm to provide recommendations on a complete overhaul of the Cypriot health care system. The large pharmaceutical importers have recently banded together to lobby for changes to the procurement, pricing and registration systems that have led to significant shortages of many drugs, including most new innovative products. Charalambous is a member of and was appointed by the Communist (AKEL) Party. He has a good track record of helping to ensure a level playing field in tenders involving U.S. companies. He was a member of the EuroCypria board when it decided to lease Boeing aircraft and Vice Chairman of the EAC when it chose a consortium including General Electric to construct the fourth unit at the Vasilikos Power Station. (Note: the EAC and the GE consortium will begin negotiations on the final details June 19 with the intent to sign a contract by July 5. End note).

¶6. (SBU) Comment continued: Charalambous, who graduated from a university in Bulgaria, may find it difficult to cooperate with opposition MP Eleni Theocharous, Head of the Parliamentary Health Committee. Theocharous recently attracted the wrath of AKEL by suggesting on national television that graduates of Bulgarian universities generally made their way through college by bribing their professors with goats. End Comment.

Agriculture, Natural Resources and the Environment

¶7. (U) Photis Photiou, Minister of Agriculture and Natural Resources and the Environment: Photiou was born in Larnaca in 1960. He graduated from the American Academy and obtained a degree in Economics from Eastern Michigan University. Photiou worked with various international accounting and auditing firms and with the Ministry of Finance at the Inland Revenue Department. Since 1992, he has worked in the private sector as a Certified Accountant and Business Consultant. He has served as a member of the Board of the Electricity Authority (1993-1999) and the Board of the Cyprus Tourism Organization (2000-2003). In 2003 he was appointed Chairman of the Cyprus Tourism Organization. He joined President Papadopoulos' Democratic Party (DIKO) at a young age. He is currently a member of the Central Committee and the Executive Bureau of the party. He is married and has three sons.

¶8. (SBU) Comment. Photiou is another Papadopoulos loyalist who lacks his own power base. In three years as head of the all-important Cyprus Tourism Organization, Photiou was widely regarded as an adequate if not spectacular manager. With little experience on agricultural issues, how well he will perform in his new job remains unclear. End Comment.